

March 28, 2003

FILED ELECTRONICALLY

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

*Re: Provision of Directory Listing Information Under the
Communications Act of 1934, As Amended
CC Docket No. 99-273
The Use of N11 Codes and Other Abbreviated Dialing Arrangements
CC Docket No. 92-105
Administration of the North American Numbering Plan
CC Docket No. 92-237
Ex Parte Presentation by WorldCom, InfoNXX and Telegate*

Dear Ms. Dortch:

One year ago, the Commission adopted a Notice of Proposed Rulemaking seeking comments on various proposals to promote competition in the billion-dollar a year retail directory assistance (DA) services market, and asking whether this market segment could sustain and benefit from competition. The comments in the record and recent experience plainly establish that the DA services market is vibrant and growing and that consumers will benefit from competition. WorldCom, InfoNXX and Telegate submit these joint comments to urge the Commission to adopt rules that enable retail DA competition.

The record shows that competing companies such as InfoNXX have pioneered customer-friendly services such as “call completion” and driving directions to supplement traditional DA services. Telegate, first competing in the German DA market, established that competitors can earn and keep a significant share of the retail DA market. Acting as wholesalers, competing DA providers such as InfoNXX have driven down the cost of providing DA service. WorldCom, in its position as a telecommunications carrier and a pioneer DA provider, has shown that both the quality of service and level of consumer demand for DA services depend heavily on the ability of new entrants to compete effectively in this area. The record also shows that competing local exchange carriers (LECs) and interexchange carriers (IXCs) see the need for a more robust DA market. Even the incumbent LECs contended that the DA market is growing and vibrant, though they argued that despite their 98% market share, the market was “so competitive” that no Commission action is needed.

Recent experience in the U.K. provides further evidence of the consumer benefits and investment potential from unleashing competition in the retail DA market. More than 70

companies recently applied for DA numbers when Ofel opened a proceeding to award new 6-digit access codes, and InfoNXX along with a number of other companies are spending tens of millions of pounds to enter the market and win new customers. The U.K. experience – premised on eliminating the default 3-digit DA code and requiring all providers after a transition period to use a 6-digit DA code– demonstrates that the DA market will attract investment. Competition will generate consumer benefits. This experience builds on results from Germany, Ireland, Sweden, Norway and Spain, all of which have acted to promote retail DA competition and seen consumers readily adapt to new dial strings. The clear lesson from these countries, beyond the important notion that DA competition is worth the effort, is that removing the incumbent default code and establishing number parity is the only way to create effective competition.

To accomplish the goal of retail DA competition, InfoNXX, Telegate and WorldCom agree that the Commission should take the following steps to promote retail DA competition:

Key Steps to a Competitive Retail DA Market:

1. *Require all carriers to activate and route 555 numbers.* Eight years ago, the Commission and NANC awarded 555 numbers to the public, but as of today no non-LEC 555 number has been activated because of carrier recalcitrance. (Technical problems apparently are not an issue since incumbent LECs already route a variety of 555 numbers for their own use.) This wasted numbering resource should no longer lie fallow. Activating 555 numbers would have added benefits by giving other information providers, such as Geico, Coca-Cola and The Washington Post Co. that already have 555 numbers, a number that is easy to remember and implement.
2. *Ensure that all competing DA providers have a 555 number.* There are ample numbers in the 555 block to ensure all DA providers have a number.
3. *Require all DA providers, incumbents and new entrants, to use a 555 number for DA.* Consumers already associate 555 with Directory Assistance, so it will be an easy transition to have consumers use 555-XXXX for DA.
4. *After a transition and consumer-education period, phase out the 411 and 555-1212 default codes.* The E.U. experience is unequivocal: numbering parity is a pre-condition to competition. In fact, Spain and the U.K. have changed their regulatory regimes for the second time in only a few years to adopt true numbering parity. Three months seems more than sufficient time in light of the substantial experience carriers and the Commission have in managing transitions to new numbering schemes. Moreover, 411 must be eliminated to ensure a level playing field between incumbent LECs and DA providers.

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For the reasons set forth above, we urge the Commission promptly to adopt rules that embody these key provisions and for the first time enable retail DA competition.



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